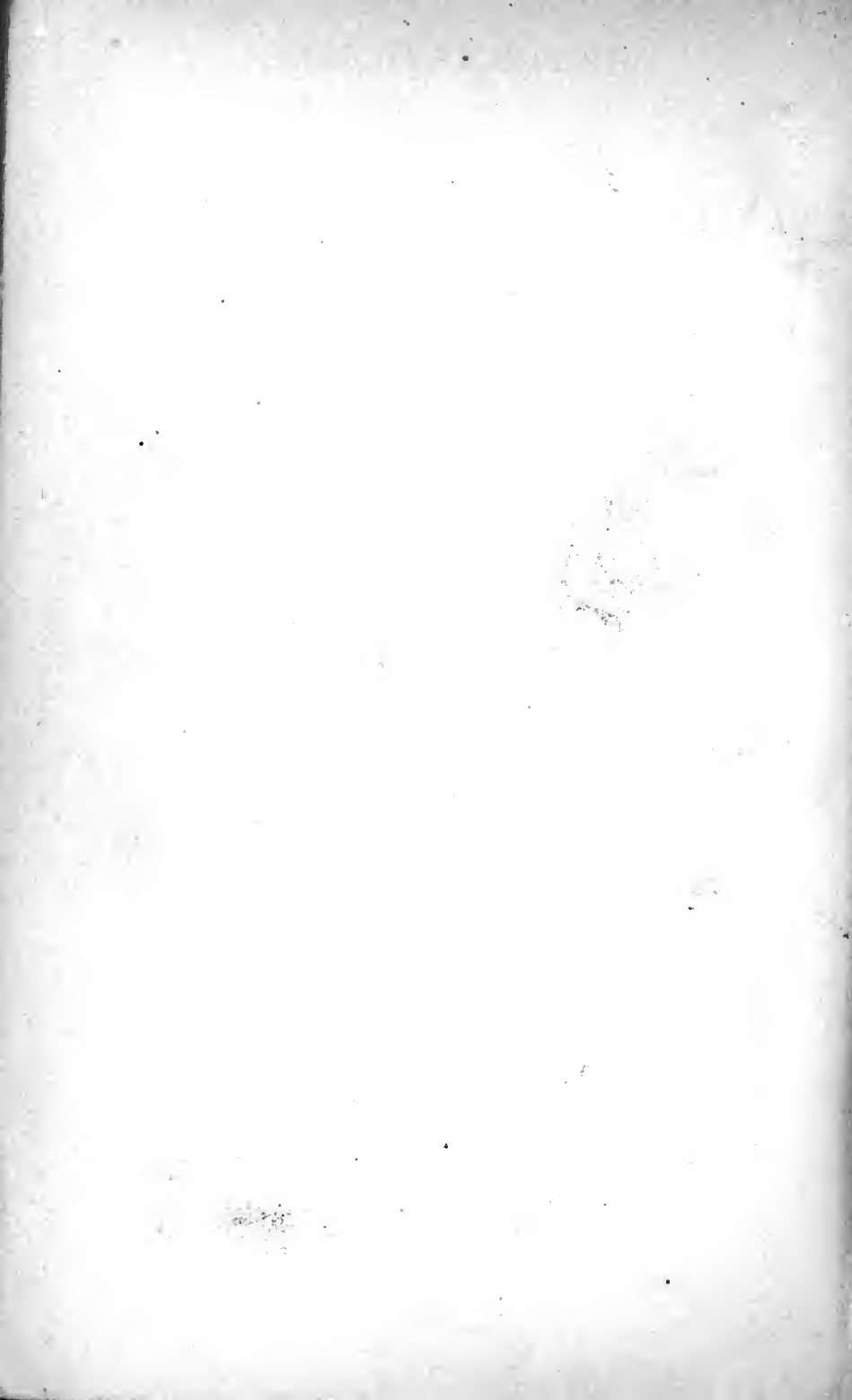


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INTERNATIONAL
INDUSTRIAL COMPETITION:

A PAPER READ BEFORE THE
AMERICAN SOCIAL SCIENCE ASSOCIATION,

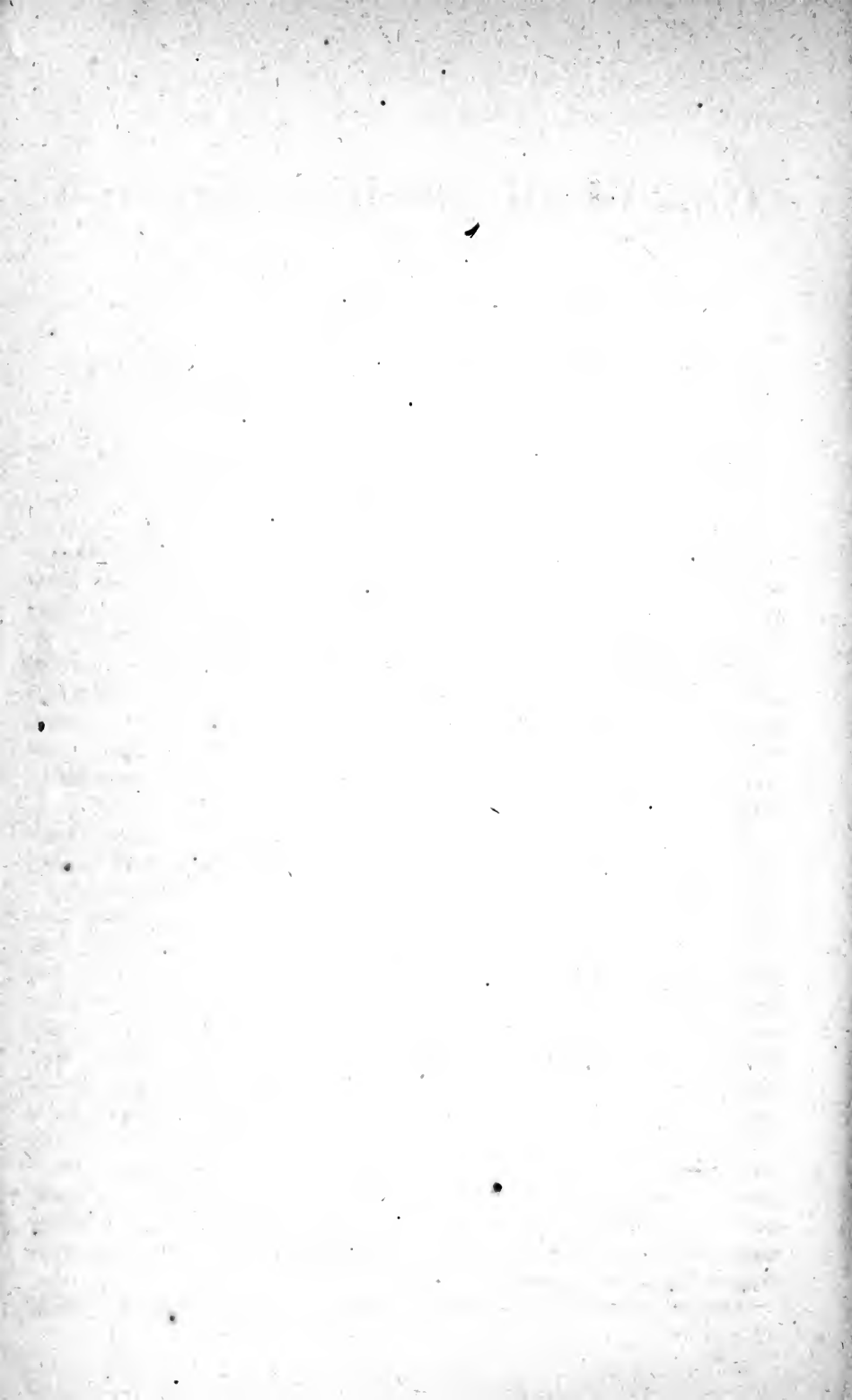
AT THEIR

GENERAL MEETING IN PHILADELPHIA, OCTOBER 27, 1870.

BY
JOSEPH WHARTON.

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INTERNATIONAL INDUSTRIAL COMPETITION.



Man hat Gewalt, so hat man Recht,
Man fragt um's Was? und nicht um's Wie?
Ich müsste keine Schifffahrt kennen:
Krieg, Handel, und Piraterie,
Dreieinig sind sie, nicht zu trennen.—*Faust, Part 2, Act 5.*

Having the power, you have the right.
One asks but what you've got, not how?
Talk not to me of navigation:
For war, and trade, and piracy,
These are a trinity inseparable.

I CHOOSE as a motto these words, put by Goethe into the mouth of Mephistopheles, because they express what I think has been too much overlooked by many writers upon the subject of International Commerce, *i. e.*, the essentially antagonistic nature of trade. It has of late years been rather the fashion to omit from consideration those aspects of the case which become apparent when the several nations are regarded as competing organisms, each of which struggles to better its condition both absolutely and relatively to the others, just as each individual of a community strives to rise in the social scale.

Much is said, upon the one hand, of the higher wages which the protective system affords to the producer; and, upon the other hand, much concerning the cheaper goods offered to the consumer by unshackled commerce; but if either the free-trader or the protectionist could prove to demonstration that his policy insured to either class a larger allotment of personal comforts during the current year, with a larger surplus at its end, than under the opposite policy it could enjoy, the question as to which course is most expedient for the State would still not be exhausted. The statesmen must look beyond individuals or classes, and beyond the immediate present; not content with noticing that certain parts of the body politic are properly nourished, he must see that the body as a whole possesses vigor and symmetry; that development and robustness attend upon nutrition; that the whole organism enjoys fair play and good guidance in its strife with similar artificial bodies, and above all, that its present course is leading on to future health and power.

The advocates of unrestricted commerce in particular seem to

me to disregard too much the existence of nations, and to look upon men merely as individuals, each of whom is to take thought of his present and particular welfare alone, unmindful of his nation, for the collective and future well-being of which no one is to care.

The Manchester school of political economists persistently entreat mankind to regulate their commercial affairs upon the assumption that the entire race of man is but a band of brothers, who, though they may be accidentally gathered into groups designated by the "geographical expressions" United States of America, England, France, or the like, and though they may be so devoted to their respective groups as to fight desperately upon occasion for the purpose of aggrandizing or overthrowing one or another of them, are yet, so far as so-called peaceful intercourse is concerned, really a single family, and ought in all that relates to trade (that is, in nearly all whereby in ordinary times the nations act upon each other) to disregard this national grouping. The common interest of mankind would seem, according to this school, to require that since such groups do exist, one of them should produce food, and another cotton or wool, while a third should make tools or clothing, and that the individuals of each of the groups should expend much of their energy in carrying their several products across land and sea to trade them freely with members of the others.

Would such universal and unrestricted trading and division of labor among the nations be founded upon the deepest instincts and interests of our race, or are they so contravened by ineradicable human characteristics as to be merely sentimental and illusory?

These questions cannot be properly answered without consideration of many collateral points, and particularly, I think, of the following:—

I. Is it intrinsically right for persons to form themselves for mutual aid and comfort into nations, preferring each other to strangers, carefully hedging themselves about, and jealous not only of their territory, but also of their separate and peculiar institutions and modes of life? Or should all barriers be broken down, and mankind be obliged to fuse and coalesce into a single mass?

II. If the grouping into nations be permissible, is it right for each nation to endeavor to be self-centred, self-supporting, complete, and independent as to material wants, or should certain of them be permanently subjected to others by dependence upon those others for articles indispensable to human well-being or comfort, which they could themselves produce?

III. If, again, men may properly form nations, should the several governments thereof take cognizance of trade between their respective populations, regulating the same as each may see fit, or should they limit their action strictly to internal affairs, absolving their subjects from allegiance, and imposing no conditions upon aliens, in so far as trade is concerned?

IV. Supposing that a nation, allured by the abstract beauties of the universal brotherhood theory, or by promises of pecuniary advantage, should legislate to treat citizens and aliens alike in matters of trade, but should find that by the hostile industrial organization of other nations its markets were overloaded, its workmen thrown out of employment, its money drawn away, its finances crippled, and its independence endangered. Ought that nation still to continue in the policy of defenceless confidence, or ought it, if yet retaining vitality and courage enough, to protect itself from such trade invasions by fitting legislation?

V. Supposing the right of a nation to be undeniable as regards other nations to protect itself by any expedient devices from spoliation through trade, has its government the right, as between its own citizens, to aid some at the expense of others, in order that the whole nation may attain greater vigor, completeness, power of self-sustenance, and independence?

VI. Is there, on the other hand, any obligation on the part of a government towards its citizens, to give all necessary aid and support, at the common cost, to such as are laboring to expand its resources, extend its industrial domain, and fortify its independence?

VII. Is the common good of mankind promoted by an enormous transportation of raw material from the ends of the earth to a few spots, there to be manufactured, and the finished products in part transported back again; thus establishing among the nations something similar to the division of labor which is successfully practised among individuals?

VIII. Does the "laissez faire," or let alone doctrine, which some sociologists insist upon as the law of nature, and as the correct rule for international trade, inculcate a really sound policy for the guidance of nations in their dealings with each other?

First. As to the right of mankind to form nations. This head might almost be dismissed from consideration with such adages as "whatever is, is right," or "vox populi, vox Dei," were it not that the basis of the whole question lies here, and that we must on that account pause here long enough to be quite sure of our foundation. Such difficulty as this topic offers is akin to the difficulty of proving that lead is heavy, or that it is wrong to tell lies,

so near is it to being one of those ultimate facts which appeal directly to the sensual or moral perceptions.

We know as distinctly as we know anything that men everywhere, and in all ages, invariably have formed and do form themselves into groups of greater or less magnitude and compactness, the individuals composing which voluntarily surrender certain portions of their substance, their time, their efforts, their free will, in order that they may derive from the community to which they belong a share in the advantages conquered by it from nature or from rival communities, settled relations towards the various individuals of their own group, and protection from the aggressions of others.

It would be easy to run through a catalogue of the various sorts of societies into which men at various times have formed themselves, but this is surely needless. If examples were asked for of men living in contiguity, without in some manner associating themselves together, no better instance could be offered than the Patagonians, the Esquimaux, or other semi-brutal people, whose loose and low organization is but one part, whether cause or effect, of their low status of humanity; these seeming exceptions thus clearly proving the rule.

It is to be observed that the degree in which the individual voluntarily surrenders or modifies his original rude independence, increases with the completeness of the organization to which he belongs; in the case of such complicated structures as the great civilized nations of modern times, he is compelled or restrained in every function and at every moment, in order that the great organism of which he is an almost imperceptible constituent may thrive, or that it may move in such course as seems at the moment most advantageous to the whole mass.

Commensurate, however, with the completeness of the surrender of personal independence to the well-ordered State, is the completeness of the advantages, the security and the enjoyment which the individual derives and has the right to demand from the State; the net balance of advantage to the individual so certainly increasing with increased perfection of organization, that this latter is constantly striven after, and is completest when mankind have reached the highest types.

Mere attraction of cohesion exists whenever men come into contact; the finer and more powerful social forces comparable to affinity and crystallization, exert themselves in proportion as the societary atoms are more refined, yielding sometimes such results as Roman law or Grecian art, and leaving us to hope for still more splendid growths in the future.

Seeing thus that men always do group themselves into tribes and nations, that no people thrive or attain eminence who have not keen and strong instincts of nationality and organization, that those nations, such as the ancient Romans and modern Prussians, who possess those instincts in the highest degree, grow and bear sway, while those others whose societary instincts are weak, such as the ancient Parthians or modern American aborigines, dwindle away in spite of individual prowess, that our best hopes for the future of the race are founded on the perfection of artificial society—seeing all this, we may surely take it for granted that the tendency of men to form nations is ineradicable, and is right.

The suggestion of the other extreme, that all mankind should coalesce into a single universal band or nation, is sufficiently disposed of by the reflection that certain limits are well proved by all experience to exist, beyond which the centrifugal forces exceed the centripetal; that all the vast empires have at last perished by reason of their too great expansion, and that not even the strongest organizing and controlling genius is sufficiently powerful to hold permanently together, and to restrain from the attractive force of rival centres, masses of people whose climate, language, habits, and religion too greatly differ.

The principle of that school of economists which treats of mankind as forming one great brotherhood, with common interests, however noble or elevating it may be in the abstract, must therefore, in the present condition of human nature, be regarded as utopian and visionary. When every man shall love not only his neighbor, but also his rival or enemy, as himself, it may be received as the guiding principle of statecraft, but in the existing imperfect state of humanity it cannot be considered as more than the dream of amiable enthusiasts.

We start, then, with the premise that mankind are of right, always have been, and always will be, gathered and separated into nations, with strong cohesive and organizing internal force. To this we may add, that all history is a reiterated and cumulative demonstration of the fact that the rival nations are animated by strong antagonisms and competitive feeling towards each other.

Secondly. In treating of the rightfulness of a nation's attempting to reach independence and self-sufficiency (in the original and better meaning of that term), to become *totus, teres, atque rotundus*, I again encounter the embarrassment of having to set forth a truism, so instinctive and spontaneous is every one's conviction that his nation, at least, must strive for such independence.

The power of a nation to improve and perfect itself as a single organism or creature, inheres in mankind as a consequence of a human trait which separates man widely from all other animals. While a group of the lower animals is but a *grex*, and is but a numerical expansion of a single specimen,* so that when one rabbit burrows, one buffalo grazes, or one wolf hunts, a dozen or a thousand rabbits, buffaloes, or wolves can but burrow, graze, or hunt; a group of men, on the contrary, shortly parcel out among themselves the various functions needful to make not only a coherent but an organic whole—a complex congeries of inter-acting members, working together like the several parts of a machine to produce results utterly unattainable by any individual, and the ultimate capabilities of which, after all the noble achievements of the best organized communities, are yet to be discovered. The possession of these wonderful powers implies the duty of exercising them—of forming, developing, and perfecting nations.

A broad distinction is however presently apparent between large and small nations as to the degree of completeness and independence attainable, and among the smaller nations, between those which are contentedly small, and those which have the intention of becoming large. The small nation, such as Switzerland or Denmark, which has but a slight range of habitable climate, and consequent slight range of organic products; from whose territory nature has withheld many of the minerals that, like coal and salt, are themselves indispensable, or, like the metallic ores, yield indispensable substances; and which is surrounded by nations so great and powerful that expansion is not to be thought of—such nations may perforce be obliged to content themselves with an imperfect development, and with perpetual reliance upon foreigners for very many of the necessities of life. If they are wise and diligent, they will however attain as complete material independence as their straitened circumstances will permit: they will, so far as possible, make domestic substitutes answer instead of foreign desiderata, and must at last find or create means to make themselves in some way as essential to their neighbors as those nations are to them, thus winning by trade what nature denies to them.

Very different is the case of those great and favored nations whose domain embraces nearly all soils and climates, and contains all or nearly all the useful minerals. They, endowed by nature with every capability for attaining the full stature of manhood, are derelict if contented with anything less than perfect symmetry and the most complete self-sufficiency. Holland, Switzerland, and France may be forced to buy and be absolutely dependent upon

* See note on page 32.

foreigners for iron, coal, and copper, respectively; England may be similarly dependent for sugar, and Cuba for flour; but there are great continental nations which are not so cribbed, cabined, and confined. No folding of the hands in hopeless submission to the hard limitations of nature is permissible in their case at least; having all climates, all soils, and all minerals, any failure to supply all their wants, and thus to earn an existence independent of the good pleasure of any foreign power, would be inexcusable.

It may at last be true, as was said by Gortschakoff, that "Russia and America are the only nations whose grand internal life is sufficient for them;" but if these two really stand in such lofty isolation, the less excuse has either of them for relying upon the mercenary and precarious support of a competitor.

Even if no nation whatever is absolutely able to satisfy from its own products all the artificial wants of the present day (some of which wants, like those for French fashions, are purely factitious and excited by ingenious people for their own gain; while others, like those for coffee, tea, and spices, would seem to be imperative, did we not know that all the generations of our ancestors except some of the latest, had lived without them), and if there are but few nations which do not need to look beyond their borders for some of the real necessities of modern life; still, each one according to the measure of its capacity is bound to strive for completeness, for symmetry, and for independence, just as each man is bound so to strive.

Self-preservation clearly requires every nation to be as complete, as sufficient unto itself, and as little dependent upon its neighbors for the means of continued existence, whether in peace or in war, as its national circumstances will permit. No crutch or prop can fill the place of sound limbs of one's own, such as come by honest toil, and no facilities of foreign trade can stand to a nation instead of sound internal development and self-sufficiency.

Thirdly. Some may think that before attempting to show the right of a nation to regulate the dealings of its citizens with foreigners, the right should be shown of any human authority to interfere in any manner between two individuals desiring to trade together. Without wasting much time upon this abstraction, it may suffice to point out that interference in these matters is one of the inevitable constraints which every member of a civilized community undergoes.

Not only are certain sorts of trading quite forbidden, as that in lottery policies or counterfeit money; others carefully limited, as that in poisons, gunpowder, or intoxicating liquors; and others

promoted, as when government aids in building roads and canals to bring grain to market; but generally, by taxes upon sales, by stamps, or otherwise, government not only interferes between parties trading, but actually compels them to pay for the privilege of exercising under her protection in a perfectly legitimate manner, what some champions of unrestricted trade consider a most infeasible natural right.

The right of a nation to regulate its foreign commerce is attacked by only a few visionary social philosophers, the same who declare that all custom-houses and all checks upon trade should be swept out of existence; still, since there is a certain vague seduction about the phrase "freedom of trade," and since any cry often enough repeated becomes at last with some a point of faith, it may not be wholly useless to bestow upon this specious doctrine a brief consideration. It attacks, we must remember, not only the policy but also the right of a nation to regulate its foreign commerce; the gates must be flung wide open with absolute freedom to all.

In the eyes of its advocates, that most potent of commercial regulations, a tariff, is an "iniquity," "an infamous tax," "an odious monopoly," and they proclaim it to be moreover a mere modern outrage, unsanctioned by the example of such ancient nations as Greece or Rome.

In considering this clamor, one's first reflection is that every nation—enlightened, civilized, half-civilized, or barbarous, as the old geography classification has it—every nation or people in fact upon the face of the earth but the absolutely savage, does most carefully legislate concerning its foreign trade, imposing thereupon just such conditions as to it seem meet and conducive to its own peculiar interests, except that in the cases of certain nations already feeble and growing feebler, the conditions are to some extent dictated by other and more powerful nations for their own gain. How insignificant was the wrong-headedness of the eleven obstinate jurymen, whom their colleague besought in vain to yield their convictions to his views, in comparison with this fatuity of the entire human race, which a philanthropic little party with goods to sell is now undertaking to dissipate!

A second reflection shows that without regulating its foreign commerce, no nation can regulate its internal affairs, or in fact can long subsist; for in these days all the industries and finances of a country are so connected with its foreign commerce, that to abandon control of the latter, is to abandon control of all the country's material interests, and to allow them to be managed by the enterprising foreign trader.

There is no more marked line of nationality than the customs

cordon, and the tendency of customs' frontiers to become national frontiers is well illustrated by that abolition of the semi-independence of the old French provinces and of their inter-provincial tariffs, which created a solid and powerful France, and by the formation of the German Zoll-Verein, which has before our eyes been so effective in transforming the disjointed little German nationalities into a compact colossal Germany. This method of national aggregation has, however, like all others, its limits, such as have been already adverted to.

It is idle to cite, as is sometimes done, the examples of ancient nations against this universal modern practice of regulating foreign commerce by legislation, for we must remember, that in the good old times a nation coveting its neighbor's goods took them by the sword rather than by trade.

. To crush by direct invasion with armies superior in numbers, organization, or armament, the resistance of a conterminous power; to take by direct plunder whatever seemed worth the carriage; to remain permanently in the land, enjoying it as its lords; to exact by direct tribute such contributions as could be extorted—these were the simple processes by which in ancient times the stronger or more cunning nation dealt with the weaker. But the fashion of the times has so greatly changed that the employment of these rude agencies is now exceptional, and the efforts of nations nowadays to overcome and despoil each other are conducted by methods ostensibly more peaceful, though really not less efficient.

Since then it is by trade usually, and by war but occasionally that one nation now assails another, the defences of nations must necessarily be adapted to the occasion, and a tariff can baffle and defeat the foreign plunderer of these days better than a fort. A modern nation may be likened to a modern citizen, who seldom has occasion to make heroic defence of his hearthstone, sword in hand, but who finds it highly expedient to keep a watchful eye upon the current expenses of his family, and see that they do not exceed the collective family earnings.

Armed force lies it is true behind the tariff law, ready to enforce it against the contumacious, just as any other law is in the last resort made valid, but who can adequately depict the immense improvement of society indicated by the substitution of a regular and smoothly-working tariff, for the wild and hasty levy of troops to resist a foray?

It is in short absurd to entertain the idea either of abandoning all national defence, or of abandoning the modern style of defence for the ancient.

Fourthly. Our supposititious case of a nation confidingly step-

ping into the arena of the world's trade battles, to fight with the gladiators there, herself unshielded and imperfectly armed, is not without foundation in fact, and though history has not always taken the pains to narrate the results of industrial and commercial policy, the comparatively recent examples of Portugal, Turkey, and India show clearly enough the results of such a course.

Each of these nationalities, once powerful and haughty, has enjoyed, under English auspices, a full development of the freest commercial intercourse, particularly with England herself, the great apostle of free trade, and each of them is now a pitiable illustration of how free trading, like free fighting, simply means the defeat and ruin of the weaker or less skilful party.

Even our own nation, whose birth as an independent power was greatly owing to the determination of her people not to be forced to trade with the mother country upon terms of England's setting, has since at several times yielded to the latter's taunts and blandishments, and, blinded for a while by the lusty vanity of youth, has undertaken to cast aside her shield, and wage industrial warfare unprotected; the result having upon each occasion been our discomfiture, and forced retreat to our tariff defences.

I know that some theorists still maintain the doctrine that there must be mutual profit in trade, and that every bargain is presumably beneficial to both parties since each enters into it voluntarily.

Apart, however, from such glaring exceptions as the case of a rum-seller and his victim, or the kindred case of England's opium selling to China, we constantly see how the more crafty or cultivated party lures the simpler and ruder to exchange the solidly valuable result of much toil for useless trifles, as when the trader induces the savage to part with his gold and ivory for a few beads, or when France deals with America; and again we see how the establishing of a quasi monopoly of necessary commodities through earlier development, enables one party to constrain the other into dealing with him upon his own terms until the monopoly can be broken by building up competition, as when but a single machine-shop exists in a region full of factories, or when England undertakes to be the workshop of the world.

Even when a trade actually and permanently benefits both parties, it is entered into by each, not with any thought for the good of the other, but for his own private advantage and emolument.

It cannot be too strongly stated, or too clearly understood, that the end and aim of trading is booty, and that its principal weapons in our times—its huge and formidable engines of war—

are the great establishments of industry and credit; the factories and the banks. The nation which can bring an opponent fairly within range of this artillery, and open its batteries upon him, silencing his guns, if he has any, must effect his subjugation; mere vast preponderance of numbers cannot prevail, as India sufficiently demonstrates.

When a modern nation is resolved to despoil another through trade, if the antagonist retires within walls of ancient isolation, as, for instance, the Chinese, he must first be drawn like a badger; if he struggles and rebels, as, for instance, the Irish, he must be scourged and bound, and his weapons, the factories, thoroughly destroyed; if he is formidable by absolute force of brawn and brain, and is fortified by walls of legislation, as, for instance, the United States, he must, if possible, be cut into mutually hostile fragments, or, that failing, must be cajoled into internal jealousies, and into breaking down his laws, thus exposing his forces unprotected to be destroyed in detail.

I have said that the United States has sometimes been so deluded as to believe that fair and profitable commerce could be openly conducted with England. On each occasion, however, the attacks and the rapacity of English trade were so wolfish and fatal that we were driven within our barriers, there to refit our weapons and to gather strength and vain confidence for another sally.*

It is unnecessary to burden this paper with statistics and proofs, which have been given at length by Carey and others, to show what grievous losses each of these combats inflicted upon the verdant believer in the universal brotherhood of commerce.

England, while amusing us with her broad philanthropy, has treated us very much as the Danes and Northmen of old treated her, when they quietly organized in their distant homes piratical descents upon her coasts to ravage, plunder, and destroy. Our merchandise markets have been crowded with the products of her mills, furnaces, and factories, destroying our natural and healthful internal circulation, the demand for and distribution of similar domestic products; our money markets have then been driven into panic and collapse by the calling home to England of specie to pay for those English products; our factories have through these

* In 1801, when a treaty of peace was concluded with England, Cambacères said, "Now we must make a treaty of commerce, and remove all subjects of dispute between the two countries."

Napoleon replied, "Not so fast! The political peace is made; so much the better. Let us enjoy it. As to a commercial peace, we will make one if we can. *But at no price will I sacrifice French industry.* I remember the misery of 1786."—*Table-talk and Opinions of Napoleon Bonaparte*. Sampson Low, Son, & Marston, London, 1868.

means been sold by the sheriff into unskilful hands, and our banks taught to extend only the most timid, momentary, and vacillating aid to manufacturers. Our prosperity thus blighted for half a generation, the philanthropic English have fattened upon us while we slowly gained strength for a new and similar struggle.

I may be permitted to introduce a paragraph from a Report made to Parliament shortly before the rebellion of our Southern States, in order to exhibit a partial view of these trade combats from an English standpoint.

"The laboring classes generally in the manufacturing districts of the kingdom, and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense *losses* which their employers voluntarily incur in bad times, in order to *destroy foreign competition, and to gain and keep possession of foreign markets*. Authentic instances are well known of employers having in such times carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds in the course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes were to be successful for any length of time, the great accumulations of capital could no longer be made *which enable a few of the most wealthy capitalists to overwhelm all foreign competition in times of great depression*, and thus to clear the way for the *whole trade* to step in when prices revive, and to carry a great business before *foreign capital* can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. *The large capitals of this country are the great instruments of warfare against the competing capitals of foreign countries*, and are the most essential instruments now remaining by which our manufacturing supremacy can be maintained; the other elements—cheap labor, abundance of raw materials, means of communication, and skilled labor—being rapidly in process of being equalized."

Having had this thorough experience of the result of dealing with England as her and our free trade economists would wish us to deal, *we* at least may be allowed, no matter how sweetly her doctrines may be said to work elsewhere, to overlook the universal brotherhood of man, and to take such measures as seem to us meet for our own peculiar self-preservation and advancement.

Fortunately we are able, by virtue of sufficient material power, to do this unchallenged. We cannot be treated by England as Ireland, Denmark, or India have been; only the weapons of sophistry, cajolery, and that great resource of inciting internal dissensions which served her so well and so long upon the Continent of Europe, can be used against us with reasonable chance of success.

To protect ourselves for the future against the assaults and invasions of foreign trade* under which we have so often suffered

* How great is the booty taken from us by our foreign trade may be partly gathered

and smarted, we have built up such fortifications as commend themselves to the best judgment of great majorities of our population, and similar to those which have been shown by the experience of other nations to be suitable. It is for doing this that our chief antagonist mocks us as heathen, sends missionaries to our people, and preceptors to our legislature, affecting a well-bred surprise that we are not yet convinced either of our having no right to protect ourselves or of our mode of self-protection being inexpedient.

The example of our own trade has here been dwelt upon as illustrating more clearly than abstract arguments could do the general truth that there is "no friendship in trade," that the nation which thinks otherwise, and acts upon a generous confidence in human nature, fares no better than an individual who deals upon similar principles, and that self-defence is imperative.

Fifthly. The right of any organism to live, grow, and perfect itself carries with it the right to do every act which, according to its lights, conduces to those ends. The powers and rights of internal government, of reward or punishment, of stimulus or suppression derivable from the general right and consequent duty of self-development, are of similar validity to those which are imputed to governments from the war power, but are of wider range. They cannot be limited or strictly defined.

Among the rightful powers of a lawful government over its citizens are certainly included not only the right of general and uniform taxation, but also the right specially to tax certain classes or occupations, and to pay bounties to others for the public good as that may be apprehended at the time. Among such special taxes are those known as excise, while familiar instances of the direct payment of money derived from taxation to certain special classes for their supposed usefulness to the community, are afforded by the army and navy, by surveyors and scientists in the public service, and in some countries by the clergy or priesthood.

If a nation through its lawful government should decide that its security and future prosperity require it to avail itself of its own resources for its needful supplies of iron, sugar, cloth, or salt, and should think it expedient for the sake of attaining that end to levy

from the fact that \$1,000,000,000 of United States government and other bonds and stocks and private debts are now held against us in Europe, concerning which a mercantile correspondent of the New York Express, a free trade paper, writing on the subject of finance, says that "of our whole indebtedness to foreigners we have not received one dollar in money; every dollar of it was a contribution to foreign industries over and above their contribution to ours; and not only so, but besides all this, we have paid them some eight hundred millions in gold since the beginning of the century."

a direct tax upon all its citizens and pay the same to its producers of iron, sugar, etc., its right so to legislate could not be denied, no matter how much the aptness of the means to the end might be doubted, or how certainly the overthrow of the system by reason of popular discontent might be predicted.

Governments, however, practically seek the mildest and most equitable modes of operating for the common benefit, and can in most cases sufficiently stimulate the efforts of their citizens towards a national desideratum, such as the production of an article indispensable to the national existence, by merely guaranteeing to those individuals who will undertake to devote their energies and means to the task, that they shall not while engaged therein be assailed by any other competition than that of their fellow-citizens. This method is both milder and more equitable to all the citizens, as offering the same inducements to all, than many which could be shown to be lawful. Even this latter expedient of prohibiting foreign competition is in practice seldom or never resorted to, since merely to levy upon the foreigner for the benefit of the State a tax bearing some relation to those taxes which are imposed upon the native, usually proves sufficient; the measure of that tax upon foreigners being the point at which it is estimated, or found by experience, that sufficient energy will be directed into the desired channel.

It is particularly to be observed, that the chief effect of such enactments is after all not upon the individuals at present engaged in any specified pursuit, but rather upon the larger number whose course thereafter is determined to the needful industry by the enactments; and also that those latter come at their own good pleasure and election from the great mass of the people to try their fortune under the new conditions publicly established for all.

That nation acts, however, most prodigally and absurdly, which, after having by its legislation invited its people to undertake certain pursuits requiring large capital and long training, suddenly or greatly alters the established conditions to their disadvantage, thus leaving a considerable portion of its own flesh and blood and substance to perish. The shocks and vicissitudes which must at best be encountered are enough, and the government should endeavor rather to diminish or counteract those inevitable adversities than to increase them; studying always to avoid abrupt changes, and to make with as equable a movement as possible those alterations which experience shows to be fitting.

The patent laws of this country and of most others illustrate clearly enough the right and power of a government to do those

things which in tariff legislation are often pointed at as the most unjust and odious.

While tariff laws afford only measurable advantage to those who pursue a certain industry, patent laws establish an absolute monopoly; while tariff laws merely set up barriers against the foreign rival, patent laws shut out all, both fellow-citizen and alien; while a tariff law endures no longer than until the temper of Congress changes, or until foreign or domestic influence can be invoked strong enough to bring about a real or factitious adverse public opinion, a patent under our laws holds good absolutely for the definite period of seventeen years.

That the objects to be gained by the operation of the patent laws are more desirable or more palpably for the public good, as contrasted with advantage to individuals, than those attained by protective duties, will hardly be contended by any who examine the subject dispassionately. The objects of both are in fact to a great extent the same, being the development of national wealth and strength. The means by which the two classes of laws operate are likewise similar, viz., the offering of inducements to individuals to undertake the needful studies, toils, and risks, by the premium of certain immunities or advantages in case of success. Every feature in the tariff laws which could be attacked as oppressive to the public, as militating against natural rights, or as creating monopolies, exists also in the patent laws. If tariff laws are objected to as virtually debarring from certain occupations all but those who enjoy accidental superiority by possessing the domestic supply of the requisite materials, patent laws often shut out the public from entire fields and ranges of investigation and experiment, as well as of industry, by the exclusive rights they grant. The tariff laws operate most powerfully and directly to bring to our shores multitudes of the most desirable immigrants, while the patent laws have but a very slight and remote effect of that nature.

Is it not passing strange that, notwithstanding all this, the principle of our patent laws is almost universally acceded to, while the clamor incited by foreign manufacturers against the principle of our tariff laws finds (mainly, to be sure, among the ignorant) so many credulous listeners.

Sixthly. No nation can long subsist unless its government has power to compel the support of its subjects or citizens. A nation is not a mere loose aggregation, the obedience of whose integers may at their own good will and pleasure be refused, for although voluntary choice of the individual citizen or of his ancestors may have been the primary cause of his belonging to his actual nation-

ality and of his subjection to its laws, no fresh exercise of his simple volition can now absolve his allegiance, except the final one of expatriation and surrender of nationality.

Being thus liable to compulsory support of his government, as by taxes, military service, jury duties, etc., the citizen has an indefeasible right to be cared for, protected, and defended by his government. In other words, the principle of mutuality holds between government and citizen as it does in the case of all other compacts; and proportionally to the degree in which individual rights are yielded up or modified, are governmental obligations towards individuals increased. The force and scope of these obligations are, with the advance of civilization, generally becoming more thoroughly acknowledged.

Not only must a government at the present day maintain an army and navy to prevent or repel invasion, but it must uphold internal order, by means of police and courts, must encourage, if it does not directly sustain, educational and religious systems, must adopt suitable sanitary measures, and in general do for the common benefit all that requires for its performance the collective effort of the whole community.

The question as to the claim of the good citizen for the protection of his government is thus obviously a question of kind and degree, involving merely his right to that specific sort and amount of protection which he may at the moment require; and it is obvious again that the duty and no less the interest of the government are in this respect so broad, that no limit within its powers can be set to either, but the permanent well-being of the aggregate mass.

Of all the duties of a government towards its citizens that of repelling invasions is probably the first and most indispensable. It must secure them in the peaceful enjoyment of their homes, and in the pursuit, undisturbed by foreign enemies, of the industries whereby they live. Doubtless, any country may be temporarily invaded, but that government which proves unable to resist such intrusions, gives place inevitably to another which, it is hoped, may do better. Finally, if a nation yields to reiterated invasions, they take the character of occupation, and the nation itself succumbs—perishes as a nation—becoming incorporated with the conqueror, or entering by fragments into other organizations.

In the present day, however, a most insidious and destructive form of invasion is practised, whereby not the foreign enemy *in propria persona* comes to kill and destroy, but the products of his labor, put into such a form as to draw away from the native

that demand for his products, and that nutriment those products should earn for him, upon which his existence and that of his family depend. The foreign legions are trained to attack by missiles launched from their far-distant mines, mills, and factories, and their attack has often devastated homes and districts, and broken up industries as effectually as if the conquest had been effected by warlike weapons.

Against such invasions a government which expects to survive is surely bound to afford due protection to those diligent and skilful citizens, its artisans and industrial producers, who are the right arm of its strength. The objection that this argument does not apply to the great class of agriculturists is unsound; for the farmer cannot eat all his corn and turnips, and he must have cloth and tools. He needs prosperous artisans by his side to consume the one and furnish the other, in default of which his crops must rot or be sold abroad for a trifle, and his wants, other than for food, must remain unsatisfied or be supplied by foreigners at a cost in the end ruinous. The farmer's products are in many cases directly protected from the indirect invasions I have named, but even were this not so, he is protected when the miner and manufacturer are protected.

Here I might with propriety, if space permitted, offer proof that suitable protective tariff laws are no burden upon any part of the community, but operate to the benefit of consumers, by ultimately cheapening as well as multiplying products; but this has been so frequently demonstrated, that another repetition may well be dispensed with. The following quotation from a leading English sociologist may, however, be introduced as showing that, besides the direct benefit to the general public from having the public expenses defrayed in whole or in part by taxes upon foreigners, and besides the cheapening through domestic competition of the article subjected to import duty, another public benefit, in his opinion, ensues from tariffs by reason of the curious indirect result that foreigners are thereby obliged to pay more for the article exported in payment.

J. Stuart Mill says (*Principles of Political Economy*, p. 405) :—

“It may be laid down as a principle that a tax on imported commodities almost always falls in part on the foreign consumers of the commodities exchanged for them, and that this is a mode in which a nation may appropriate to itself, at the expense of foreigners, a larger share than would otherwise belong to it of the increase in the general productiveness of the labor and capital of the world which results from the interchange of commodities among nations.”

Upon the question that the import duty exacted upon foreign

goods is paid not by the consumer but by the foreign producer, it may suffice to observe that the *London Economist*, a free-trade journal of high rank, in commenting upon the alterations in the treaty between China and England lately negotiated by Sir Rutherford Alcock, objected strenuously to the increased duty upon opium, which was one of those alterations. That increase, the *Economist* declared, would stimulate the cultivation of opium in China, and would oblige the English opium growers of India to meet the increased domestic supply in China by a reduction in price corresponding with the increase of duty.

The organs of the French industrial classes, such as the *Moniteur Industriel*, state their claim for protection against foreign-trade invasion very moderately and logically, when they demand as they do, that upon all products of foreign labor which compete with their own, import duty shall be levied equivalent to the total of taxes and imposts of all kinds which the French laborer or artisan is required to pay to his government while engaged in the production of similiar commodities. This claim, limited as it is to the demand that their government shall not discriminate against them by exonerating their competitors from burdens which it imposes upon themselves, evidently does not cover the extent to which a citizen may in case of need rightfully expect industrial protection, though it might in most cases and in most countries suffice.

Among the cases where the claim to a higher degree of protection is valid, may be named: 1. When a desirable industry is to be transplanted and naturalized, involving unusual outlay and risk to the adventurer; 2. When the scale of wages is higher in the country under consideration than in its rival.

The first of these cases must of course often occur in this age of intense mental activity and achievement of material advances. Melchior Gioja, who has been called the colossus of political economy in Italy, says:—

“The influence of government is useful . . . in the concession of public aid by money or credit, to enterprising and capable men introducing new branches of industry, either with or without interest; or upon long terms of payment.”

A doctrine which goes far beyond mere protection by tariff laws.

J. Stuart Mill says:—

“The superiority of one country over another in a branch of production often arises from having begun it sooner. There may be no inherent advantage or disadvantage on either side, but only a present superiority of skill and experience. A country which has this skill and experience to acquire, may, in other respects, be better adapted to the production than those earlier

in the field; and besides, it is a just remark, that nothing has a greater tendency to produce improvement in any branch of production than its trial under a new set of conditions. But it cannot be expected that individuals at their own cost should introduce a new manufacture, and bear the burthens of carrying it on until the producers have been educated up to the line of those with whom the processes have become traditional. A protective duty, continued a reasonable time, will sometimes be the least inconvenient mode in which a country can tax itself for the support of an experiment."

The second case must also very frequently exist, for, how can it be expected that a day's labor will command the same reward in all parts of the world (whether payable in gold or wheat or cloth), without regard to the density of the population, the abundance of the medium of payment, or other varying circumstances? Either then the nation which is so circumstanced as to pay high wages to its laboring people must protect their wages by a commensurate tariff upon foreign products competing with theirs, or it must reduce its wages to the level of its lowest competitor, which is not always either expedient or practicable, or it must consent to be debarred from engaging in many of the most necessary occupations, which is absurd.

A terse saying of M. Thiers well expresses the true principle: "Among the most sacred rights is that of the labor of a country to its own markets."

Seventhly. Transportation of materials or of commodities is one of the most universal and onerous tasks of society, and one that constantly engages the best efforts of ingenious men in attempts to facilitate it, to lighten its cost, and, when possible, to avoid it.

The latter is frequently impossible, since when one locality possesses one requisite material for a needful product, while a second and third possess the others, as when the ore, the limestone, and the coal needed for making iron are found in different spots, those separated materials must be brought together or the desired product cannot be made. Or, again, when a commodity exists or grows abundantly in one region, while its consumers unavoidably inhabit others, as is the case with coffee and many tropical products, it must be transported or fail of its market.

With many varieties of transported commodities, however, the case is altogether different, and notably when food and raw materials for manufacture are carried away from a country well adapted for manufacturing, to another possessing no greater natural advantages, where they are consumed and worked up into goods, which goods are then carried back to the original locality for a market.

Some temporary cause, such as lack of apparatus or skill in that original region, may justify for a time the enormous loss by such duplicated transportation, but as a permanence it is thoroughly

wasteful and vicious, and cannot, even though dignified by the name of free trade, long endure where human reason is allowed to prevail.

Of this nature, however, is a large part of all the vast carriage to and fro along the parallels of latitude, particularly that across the Atlantic Ocean. Of the contrary or unavoidable character is the chief part of the traffic which follows the meridians.

As an individual instance of the wasteful sort of transportation may be mentioned the case of a Wisconsin farmer who, in the year 1865, bought in Philadelphia a fine overcoat of French cloth for \$100, and on paying for it remarked that this coat cost him just 1000 bushels of corn, since he had lately sold that quantity at home for ten cents per bushel. Now the expenditure of natural forces and of human labor in producing the 1000 bushels of corn doubtless exceeded that of producing the overcoat ten or twenty fold, and if the two articles had been produced side by side, 50 or 100 bushels of corn would have paid for the coat; but as it was, excepting some profit of middlemen, all the remaining 900 or 950 bushels of corn were lost in the mere transportation of corn from Wisconsin to France, and of a coat from France to Philadelphia, and were lost by the farmer; for he who seeks a market must bear all the cost of carriage thither, and he who wants goods must pay for their carriage also.

Of this unreasonable and unstable nature is a large part of England's great traffic. She holds producer and consumer artificially asunder, inserting between them her credits and her factories, and imposes upon the nations who deal with her the cost of maintaining her enormous fleets of merchantmen and war vessels, her swarms of merchants, bankers, middlemen, and agents, and her multitudes of luxurious idlers.

The simple device which one people after another are learning—to bring consumer and producer into contiguity, and to cause the societary circulation to complete its circuit so far as possible within their own limits—lops off great masses of useless toil, strengthens one after another of the populations who determine to retain their own energies and vital fluids within themselves, but deprives England at the same time of one after another of her commercial vassals.

As for division of labor among the nations, that can only take place by each nation consenting to forego certain of the functions necessary to complete existence, and becoming to that extent dependent upon neighbors or rivals. Passing by the argument for political security deducible from this, which has been already considered, and regarding only the broad common welfare of the

race, without reverting to the cost of transportation, we must observe that a population dependent upon a single pursuit is exposed to ruin when that single resource fails them, as happened in Ireland and in parts of India upon the failure of their respective crops of potatoes and of rice, in the silk region about Coventry when ribbons were no longer fashionable, and in Lancashire during the cotton famine caused by the southern rebellion.

And again, the bodily carrying off from certain spots of the masses of food, wool, cotton, etc., which they are made to yield, is an absolute robbery and impoverishment of those soils, which are thus deprived of the animal excretions and remains of the consumers; while, on the other hand, the spots upon which those currents of raw material are discharged become so burdened with refuse and putrefying matter that their streams and rivers become mere channels of filth, and only by conveying at great cost into the sea those fertilizing substances which ought to enrich the land is human health reasonably well preserved.

The grasping commercial ambition of certain countries, bent upon holding an artificial and precarious supremacy, does indeed demand division of labor among the nations, retention by themselves of the profitable avocations, and endless transportation of materials to and manufactures from themselves. The well-being of mankind at large does not demand this.

Eighthly. "Things will adjust themselves properly to each other if only let alone;" "water must be allowed to find its level;" "the laws of nature should not be interfered with." Such are some of the axioms of that "*laissez faire*" philosophy whose advocates stigmatize self-protection as the "interference theory of government."

These be brave words, but what are the facts? They are that everything in the universe, so far as we know it, does incessantly act, strive, interfere, and labor to aggrandize and perfect itself; not letting alone anything that it can change. From crystal to planet, even inorganic masses draw to themselves whatever they can reach and assimilate; and build up themselves in symmetry according to the several laws of their own existence; from protozoon to man every organism cares for itself, and converts all around it to its own uses. Coral insects turn sea into land, locusts devastate provinces, beavers dam streams and form lakes, thus anticipating man in forbidding water to find its level without first doing him service. Savage man shapes stones into weapons, makes the bark and branches of trees into shelter, boats and implements, destroys animals for his food and clothing, forms tribes, wages war, and in every way possible to him uses his powers to change his

surroundings for his benefit. The shepherd selects certain animals which he multiplies by myriads, while he destroys their enemies. The farmer cuts trees, ditches, fences, quarries, builds, ploughs, and plants; and so on at each successive step in civilization, man does but pursue similar ends by superior methods, seeking ever to promote the welfare of himself, his family, his city and nation; ordering and planning, leaving nothing to chance, and not hesitating to prefer and advance his own by all means, even at the expense of neighbor or rival, until checked by the other's ability to protect himself; his dealings with his fellow-men ever involving the keenest exercise of his faculties.

Does all this concatenation exist, and is it right, and does it abruptly break off when the question comes to be of States, their rivalries and commerce? Shall those stupendous organisms run riot and grow or perish by chance, their several guides or rulers disdaining to devise and plan for their mutual inter-action and for respective advantage?

Not so do great States grow and flourish. There may be philosophers who conceive Cosmos to have sprung from Chaos without a Creator, and there may be others who believe that human society with all its congeries of functions has arisen spontaneously. No one, however, can deny that in either case the growth and completeness of the several parts which make the now existing whole, come from the diligent seeking by each member of its own sole good, according to the laws of its own constitution; not merging all into a universal phalanstery, nor pretending to care equally for its neighbor with itself, but at the best respecting its neighbor's rights; no member letting alone, but each strenuously converting, rejecting, and assimilating.

The whole "laissez faire" doctrine is but the afterthought of crafty people, who having by prior development of force and skill acquired industrial and commercial supremacy, now desire to be let alone in their artificial advantages, and therefore instruct their rivals and victims mildly to acquiesce in the present order of things, to make no efforts and lay no plans for its change, or for their own improvement and emancipation.

The "laissez faire" philosophers are not apt to manifest much respect for antiquated wisdom, and yet even they might find a warning in the injunction of St. Paul: "But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel." 1 Tim. v. 8.

While thus attempting to show the right and the duty of every government to foster and protect its industries, I by no means

imagine that any possible governmental care can atone for lack of diligence or of skill on the part of the workman, though an unusual degree of protection temporarily extended may afford the opportunity for acquiring skill.

It is in the nature of things that no tariff legislation can or ought to enable a slovenly, stupid, or lazy workman or class of workmen to earn the wages which are the proper reward of intelligent assiduity; neither can legislation enable the American workman living on the generous scale habitual in this country, and so protected as while earning wages commensurate with his expenses, still to hold his market against his hungry competitor—I say no legislation can enable such a workman to reduce his hours of labor very greatly below those of his foreign competitor, and yet retain that liberal pay which yields him his advantages.

The eight-hour law, for instance, which was enacted by the 40th Congress, is an absurd and mischievous piece of legislation, attempting to force our employers to pay for work not done, and cutting away the ground from under our artisans by imposing (if it were carried out) a grievous burden upon American industries in their struggle with those of Europe. It is perfectly adapted to ruin the entire system of protecting home labor, since it seems to show how extreme and impracticable are the pretensions to which any attempt to favor home labor may give rise, or at least how pliant legislators may be to the demands of those among the working classes who have more zeal than discretion.

American artisans and laborers, though now perhaps generally comprehending how a tariff upon their respective products increases their wages and lightens their toil, appear not yet to understand that its efficacy has limits.

A mill-dam twenty feet high may injure no one and give gratuitous power sufficient to drive a factory or to grind the corn of a township. The dam might in some cases be safely carried up to forty feet and give double the power, though with more danger from accidents and smuggling muskrats. Raised to sixty feet it would probably drown out the farms above, be of doubtful advantage to the industry below, and would surely burst away in some time of storm, ruining all in its path.

What then is the point at which a tariff ceases to be beneficial? Manifestly no general rate can be applied, for many articles, such as most tropical products, and others not existing at home, should enter free, or as nearly so as the exigencies of the treasury will permit; while others should be subjected to various rates, mostly bearing some relation to the amount of labor they have undergone, and modified by reference to collateral or dependent indus-

tries, and to the convenience or security of collecting the impost; the whole forming certainly a complex problem, yet one capable of a substantially right and expedient solution if undertaken by persons of sufficient intelligence and fairness of mind.

But again, what class of persons are likeliest to be wise and safe counsellors for the general good in framing the laws regulating foreign trade, and thus fixing the terms upon which native industries are to battle with foreign in the home market?

The merchant is apt to see nothing and to care for nothing but a flow of trade through his shop, indifferent, so his toll be secured, whether the current is foreign or of domestic goods, or whether it brings wealth into the country or carries it out; the lawyer, though skilful in giving proper form to an act, is usually deficient in technical knowledge, and therefore liable to errors and to imposition. The farmer can hardly be expected to possess adequate knowledge of commercial affairs; the foreign agent, though hitherto a most active and influential personage in constructing our tariff laws, represents influences utterly hostile to the country, and his presence is an impertinence; the laborer or artisan seldom regards the ground from a high enough stand-point to take in much beyond his own peculiar field, and his views, though clear, lack perspective, and do not sufficiently perceive that his necessary coadjutors, capital and custom, must be invited and not forced. Really the best guides are the most enlightened of the home producers. Those captains of fifties and captains of thousands, who constantly face the foreign enemy and comprehend his strategy, who know thoroughly their own men, the soldiers of the great industrial army from whose ranks many of them are sprung, and who occupy a position intermediate between the foreign competitor, the domestic artisan, the collateral home industries, and the consumers, know better than any others what is expedient and what is practicable. No intelligent tariff legislation is possible without their aid, and though some selfishness is to be expected, yet when brought into contact with legislators or officials of honest and friendly purpose, and of keen scrutiny, they usually make frank and lucid statements of all that is desired.

England, however, does not like her rivals to take counsel of their manufacturers.

Russia, after the Crimean war, imposed upon sea borne goods higher rates of duty than on those arriving by land, meaning thus to discriminate against her enemies, England and France. As the years rolled by, the English chafed under this restraint, as well as under the general high tariff rates of Russia, and the English minister to Russia was charged to urge the appointment of a

government commission to prepare a new tariff schedule. This scheme had almost reached completion, the commissioners were already almost fixed upon, being Russian placemen and others either in the English interest or capable of being moved thereto, when the Russian manufacturers became aware of the plot, petitioned their government to be allowed at least representatives in that commission, and finally carried their point, a due proportion of the tariff commissioners being Russian manufacturers. The *London Times*, in commenting upon these circumstances, said: "What would be the consequences of thus associating the accused with their judges might readily have been foreseen," a phrase of the most singular insolence. These consequences naturally were that Russia's industrial interests continued well protected, that the discrimination was indeed mostly removed, since English goods had previously found entrance *via* Germany overland, that divers modifications were made upon unimportant points, or in the interest of Russian manufacturers, but that the broad principles and practices of protection to Russian industry remained unimpaired.

Though a considerable preponderance of our people favor protective tariff legislation, and send to both Houses of Congress large majorities committed to that policy, yet numbers of respectable persons, exclusive of the cliques of foreign agents and bankers, and of the masses innocently arrayed against protection by insidious appeals to their narrowest selfishness, regard with suspicion and aversion the process of tariff making as usually practised in Washington.

My limits will not permit anything like a thorough consideration of this prolific subject, but some of the reasons for this disapprobation are apparent enough upon very slight reflection.

When the tariff question is opened in Congress, no matter whether the proposed changes are great or small, every interest which is less prosperous than it would wish to be, and which possesses the means of reaching a Congressman's ear, has the right to offer amendments to the act under consideration. Some, counting upon a suspicious and cheapening reception of their grievances, purposely exaggerate them. Some industries are so important and influential, that Congressmen hoping for re-election are tempted to listen to them to the exclusion of those which are smaller or less pertinacious, and more favorably than comports with a scrupulous regard for the common welfare.

The agents of foreign industries strive to warp legislation for the gain of their employers by appeals to local, political, or per-

sonal jealousy, by persuading individual Congressmen that their superior intelligence should lift them above the fogs of American nationality into the perspicuous English atmosphere of free trade, by absolutely false or misleading statements upon apparently respectable authority, by every art of social beguiling, and finally in some cases it is to be feared, by the direct use of money.

Of these two classes of disturbing influences the latter are by far the most dangerous; not only because their aims are inimical to the general prosperity, being simply the emolument of the foreign manufacturer and his New York agent through the ruin of American establishments, but also because of their unceasing activity, superior discipline, and abundant treasury.

The American manufacturers seldom feel prosperous enough to afford much money for the legitimate expenses of competent agents or for instructing public opinion, and, even while groaning under a foreign yoke, many of them are too prone to reverse an old motto, and to act upon the principle, "Millions for tribute, not one cent for defence." They are mostly prevented by the pressure of their own affairs from continuous personal attendance in Washington, and when present their rightful influence is curtailed by the imputation that they are lobbyists seeking their own gain at the public cost. They do not take sufficient pains to accommodate their differences outside of Congress, and their mutual bickering in the many cases where the product of one industry is the raw material of another, excites distrust of both disputants. They feel so entitled to the best attention of Congressmen that by pursuing them in season and out of season they sometimes weary and disgust those who should be their champions.

These warring and confusing influences assail the unfortunate Congressmen at every step, while a tariff act tediously crawls through committees of preparation, through both Houses of Congress and committees of conference, and do not cease until the President's signature is finally appended.

Less favorable circumstances for a dispassionate and intelligent study of a most difficult and knotty question, involving endless details and the most widely extended consequences, can hardly be imagined. That our legislators should under such auspices usually perform their task so well as they do, should enact so few absurdities, and cling so fast in the main to sound policy and reason, proves clearly that common sense and honesty strongly predominate among them.

Besides the objections to the present system of law making here alluded to, is the important one, that it renders almost impossible the establishment of a new industry, unless of such a

nature that its product falls within some classification already protected by a sufficient duty.

Many industries new to this country should yet be introduced here, but how can it be expected that competent persons should come forward able and willing to devote the means and toil needful for that purpose? They know that it is not the practice to modify the tariff for single interests, but that one must wait until all the ponderous machinery of a general revision of the tariff can be set in motion, and committees, both Houses of Congress and President be brought to assent to many hundred separate propositions; the foreign monopolists, whose profitable trade with this country is to be interfered with, having in the meantime every opportunity to befog the question, and to starve out the unprotected American adventurer by lowering prices.

Some prompter method should surely be devised for extending to new and deserving industries at least such measure of protection as the general policy of the government at the time may dictate.

Beyond all this again lies the absurdity of burdening Congress and obstructing legislation by crowding in upon it such a mass of undigested technical and commercial questions of which so very few members have any distinct knowledge. It is swamping our court of last resort with all the cases which ought to be mostly disposed of by something comparable to the Common Pleas and Quarter Sessions.

To propound a remedy for this condition of things, setting forth in detail the machinery of a better system, would evidently lead me beyond the proper limits of this paper, yet some indication of a better plan may be briefly given.

Let a permanent Commission of Customs be created, or a separate Bureau erected in the Treasury Department, charged with constant oversight of the changing conditions of trade and industry, and especially with watchfulness for the introduction or naturalization of industries new to the country, whether such are actually undertaken here or are merely seen to be feasible and desirable. A permanent Commission is preferable to a Bureau, as being more independent, and of wider scope, and therefore attractive to a higher order of capacity.

Let the Commission be composed of at least three persons, of whom one should have practical experience and wide knowledge as a manufacturer, and another should have acquired thorough acquaintance with the actual machinery and practice of collecting customs, by intelligent service in a custom house; knowledge of tariff legislation and precedent in this and other countries is also essential

Let them be empowered to hear during recess of Congress all representations of parties desiring changes in the tariff, and to travel from place to place for the purpose of more thorough investigation. Let them hear all cases of conflicting claims or interests in regard to customs rates, and have power to summon witnesses. How much may be effected by this means is partly shown by the results of the journeys and investigations of the Committee of Ways and Means during the summer and fall of 1869.

Let no tariff legislation be introduced into Congress except from this Commission, which should make at the beginning of each session of Congress a report accompanied by a form of law, the latter embodying all changes they deem desirable, and the former giving as briefly as possible the reasons therefor, and a general view of the situation.

Let them have power to make and enforce all the needful regulations for carrying into effect all laws relating to the imposition or collection of import duty. The larger powers possessed by the English Commissioners of Customs, which extend to the alteration of tariff rates, could scarcely be granted with safety to such a Commission here.*

During the session of Congress let the Commission reside in Washington, and sit permanently within certain hours to take cognizance of matters arising after the sending in of their Report, and to attend at the call of any suitable committee of Congress, for the purpose of receiving suggestions, giving needful explanations, hearing and obviating objections, etc.

Such a Commission, consisting of sufficiently intelligent and honest persons, resolved upon promoting by the means confided to them the welfare of their own country—exercising their powers with sympathy for the producers as well as the consumers, not favoring any selfish rapacity, or any slovenly manufacturer, nor endeavoring to preserve any establishment which by the march of industrial science has become antiquated, and holding themselves well in check by a strong sentiment of conservatism, refusing any change except for very sufficient reason—would command the confidence and cordial co-operation of nearly all the American interests which would be affected by its action. It would relieve Congress of great masses of the most annoying legislation very much as the Court of Claims has operated in

* Of course the tariff laws are now enforced by the Treasury Department, yet evasions are occasionally practised with success by urging plausible but erroneous constructions of those laws, or by taking advantage of technical doubts, whereby the Treasury is robbed of large amounts, and the American manufacturer deprived of the intended protection. It would seem reasonable that those who frame the laws could best detect and prevent this class of errors and wrongs

another field, would lighten the duties of the Treasury Department somewhat as has been done by creating the Commissioner of Internal Revenue, and would give a most desirable stability to our tariff system.

It may be said that much of this was contemplated in the creation of the Revenue Commission, at first consisting of Messrs. Colwell, Wells, and Hayes, and afterwards continued by Mr. Wells alone; but that Commission had a range of duties wider in some respects than seems to me expedient for the purpose now under consideration, and had insufficient powers and authority. The reduction of its numbers from three to one seems to me to have deprived it, perhaps inevitably, of the confidence which is naturally felt in the concurrent decision of several persons, and thereby to have curtailed its usefulness.

The establishment of that Commission was in my opinion a step in the right direction, and the experience gained through its good work and its mistakes, should greatly facilitate the establishment of that better system of preparation for tariff legislation which seems to me so urgently needed, and which should remove this vexed question forever from the arena of mere political strife.

POSTSCRIPT.

MY friend, Dr. Stillé, Provost of the University of Pennsylvania, has reminded me of the fact that both the Athenians and the Romans practised the collection of import duties upon foreign goods entering their territories.

It might, at first sight, appear that if the Greeks and Romans really had tariff laws, no such remarks as those which I have made upon the contrast between the ancient and modern styles of international attack and defence are appropriate, but that any notice of the cavils of those who declare tariffs to be an abominable invention of recent times should be confined to simply showing that they were habitually used by the most enlightened ancient nations.

I have, however, chosen rather to assent to the assumption that tariffs such as ours were unknown to the ancients, and thence to draw the above-mentioned contrast, because, in point of fact, the ancient import duties differed radically from those of our day, both in their application and in their motive.

The subject of duties upon imported goods is fully treated, so far as relates to Athens, by Boeckh, in his "Public Economy of Athens," and, as regards Rome, by Dureau de la Malle, in his "Economie politique des Romains;" but a satisfactory review of those treatises would furnish material for a separate article, and cannot now be entered upon.

It must suffice for the present to observe; 1. That the tariffs of both Greeks and Romans applied not alone to merchandise entering Attica or Italy from the territories of alien powers, but also in exactly the same degree to goods entering those countries from their own contiguous provinces or outlying colonies; 2. That certain favored classes were allowed to import goods duty free, and certain ports were allowed to retain for their own use a part or the whole of the duties they collected; 3. That no vestige is discernible in those tariffs of any intention to foster home industry, to thwart the attacks of foreign industry, or to create a favorable balance of trade; their only motive was the raising of revenue.

J. W.

NOTE.—To the objection which may be suggested that bees or ants form something like organized communities, it may suffice to reply, that when such communities are formed, their integrity is most jealously guarded, to the extent of absolute non-intercourse with any similar community.

THE END.

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